

Fiscal

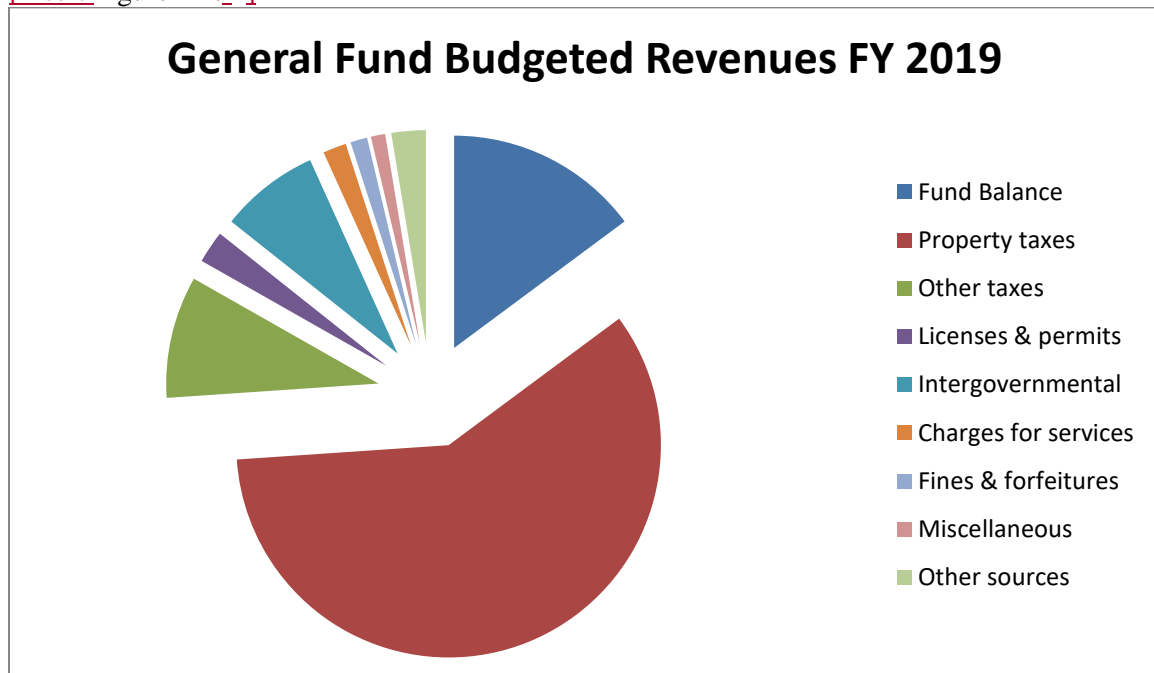
Overview

The City's services are divided into funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Each fund has a self-balancing set of accounts that records financial transactions including revenues, expenditures/expenses, other financing sources/uses, and all related assets, deferred outflows for resources, liabilities, deferred inflows of resources, and net position/fund balance.

The General Fund serves as the chief operating fund of the City, and is used to account for all financial resources not accounted for in some other fund. Other major funds of the City include the Water and Sewer Fund, Airport Fund, Parking Fund, Storm Water Fund, and the General Capital Improvements Program Fund. Additionally, the City has non-major funds that include a CDS Program Fund, Weinberg Center Fund, Community Development Fund, City Housing Fund, Community Health Center Fund, Golf Course Fund, and a Rental Operations Fund.

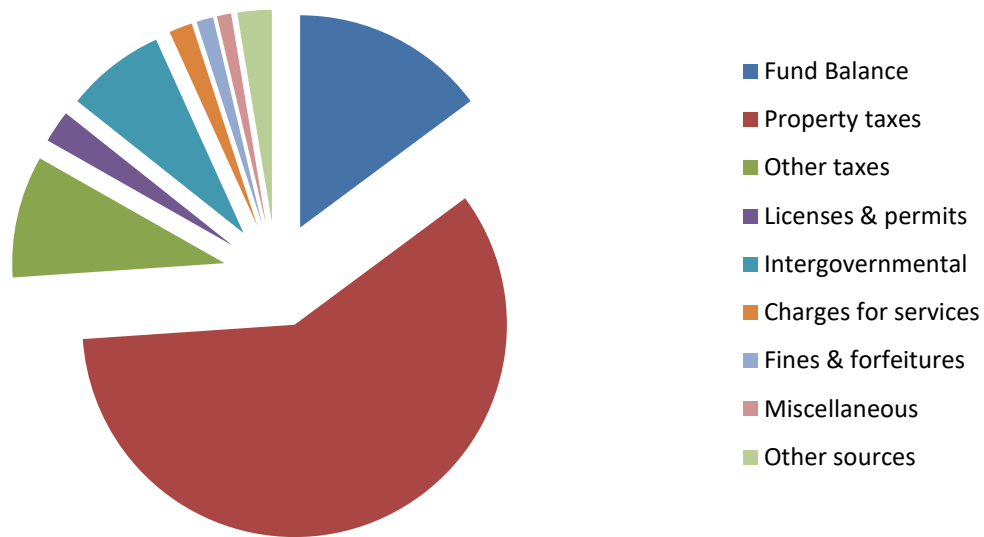
Figure FH.12-1 shows the sources of General Fund budgeted revenues in FY 2019. Property taxes comprise the largest revenue source for the City, accounting for \$58,165,000 (or 59 percent) of the FY 2019 General Fund budget. Real property is assessed at 100 percent of estimated market value. The FY 2019 real property tax rate is \$.7305 per \$100 assessed value. ~~Insert Figure FH-1~~

~~Insert~~ Figure FH-1



The City must

General Fund Budgeted Revenues FY 2019

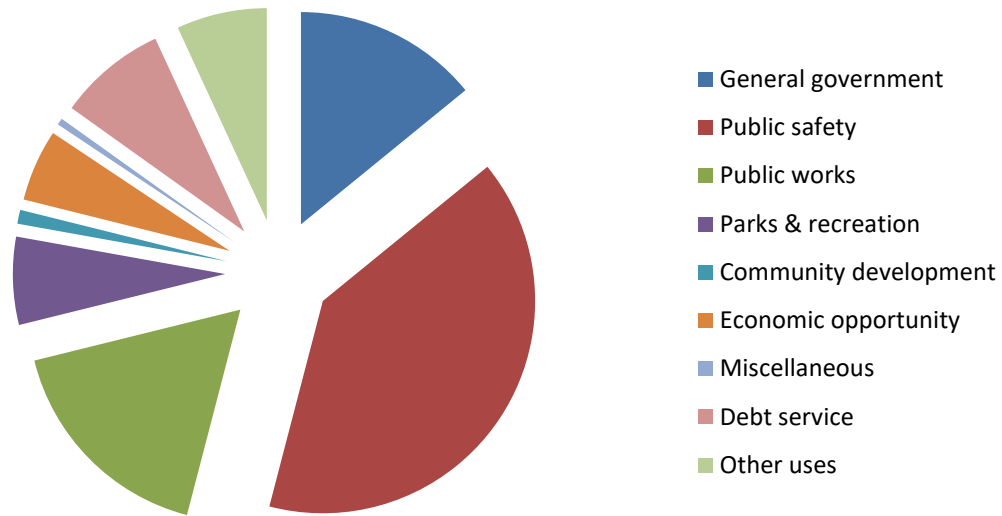


In order to continue to provide services and infrastructure for existing residents and businesses while also ensuring the City will need to ensure income from new growth pays its fair share, covers the additional expenses that growth incurs to the City budget. This element's chapter's policies attempt to address the concerns of service provision for the City as it exists today and as it is expected to be in the future.

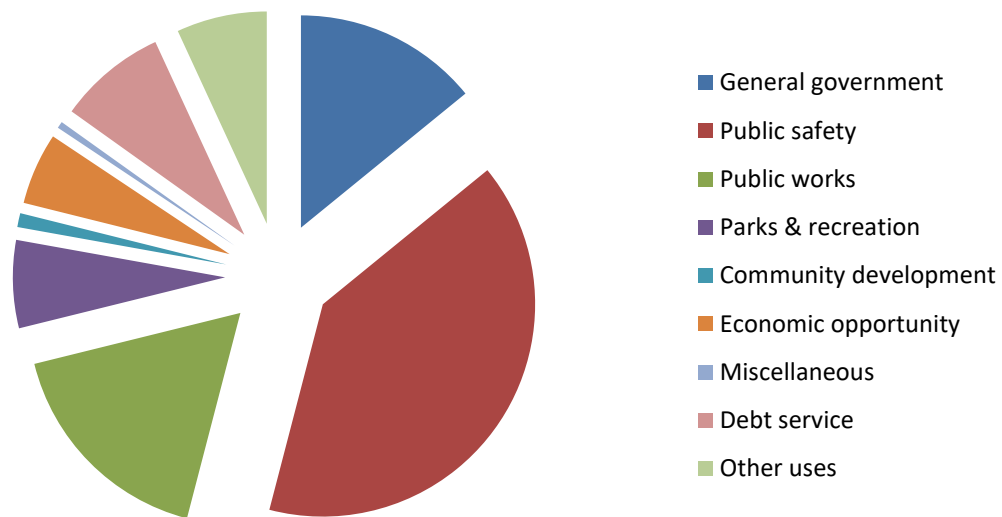
General Fund income is used to pay for City services and departments, as shown in Figure FH-figure 12-2. Public Safety, including the Police Department, is the largest single user of General Fund expenditures, followed by Public Works, which includes waste collection, snow removal, and street maintenance functions. [Insert Figure FH.2]

[Insert Figure FH.2]

Budgeted General Fund Expenditures FY 2019



Budgeted General Fund Expenditures FY 2019



Among the most pressing issues is how the City's fiscal system will support the future growth outlined in this Plan. While this Plan prioritizes growth to areas of the City serviced by existing infrastructure and community facilities, it also acknowledges that annexations may still occur. Both sorts of growth will result in additional demands on the City budget, and so it is recommended that the City evaluate the cost of services and incorporate short term and long term obligations of infrastructure, facilities, and services.

Several factors account for this policy recommendation. The “Cost of Land Use Fiscal Impact Analysis” prepared by Tischler Bise in March 18, 2019 revealed all land uses cost more than the revenue they generated for the County and only single-family residences, office and industrial uses projected net revenue for the City. The results of this study are contrary to historical and conventional data, and if the study accurately reflects current trends, land use decisions will need to account for the fiscal health of the City for the future.

The following policies work towards this goal by establishing dedicated funding for needed capital improvements, limiting the tax burden on residents, and taking a long-term approach to fiscal health.

Fiscal ~~ELEMENT~~ Policies and Implementation

FS Policy ~~FE~~ 1

Identify dedicated revenues for funding capital improvements.

~~Implementation~~ IMPLEMENTATION

1. Establish a target percentage of General Fund expenditures to be spent on capital improvements.
2. Ensure that new growth pays for its fair share of capital facilities through impact fees, development fees, etc.
3. Evaluate and update impact fees on a regular basis to ensure they accurately reflect current levels-of-service, costs, and development assumptions.
4. Ensure master plans (utilities, parks and recreation, public safety, etc.) complement this Comprehensive Plan and that these plans include a fiscal analysis component containing both revenues and expenditures.

FS Policy ~~FE~~ 2

Encourage growth that enables the City’s non-residential tax base to comprise a larger share of the overall tax base.

IMPLEMENTATION

1. Maintain the jobs-rich nature of the City’s economy at an approximate ratio of two jobs for every household.

FS Policy 3

Evaluate expenditures for both current fiscal impacts as well as impacts on future budgets to avoid creating long-term fiscal imbalances.

~~Implementation~~ IMPLEMENTATION

1. Evaluate expenditures that could be funded through other methods or sources. For example, determining if a service should be provided as an enterprise operation as opposed to being funded with general revenue (primarily taxes) sources.
2. Pay all current operating expenditures with current operating revenues. Avoid budgetary procedures that fund current expenditures at the expense of future needs.
3. Evaluate the operational costs (~~such as~~ staffing ~~and~~ maintenance) when considering new capital facilities, not just capital costs.

FS Policy ~~FE 3-4~~

Maintain a diversified and stable revenue system to aid in sheltering it from the impact of short-term fluctuations in any one revenue source.

~~Implementation~~

IMPLEMENTATION

1. Explore opportunities to maximize revenues by:
 - a. ~~Revising~~ revenue collection procedures;
 - b. ~~Reducing~~ delinquent payments;
 - c. ~~Instituting~~ or increasing service charges, fines, and penalties;
 - d. ~~Updating~~ property assessments;
 - e. ~~Investing~~ a greater proportion of idle cash;
 - f. ~~Selling~~ surplus property or equipment.
2. Review fee, permit, and license amounts on an annual basis to ensure they accurately reflect the cost of providing services.
3. Identify restricted revenues (those legally earmarked for a specific purpose) and monitor the City's use of these funds to minimize volatility associated with these revenues.
4. Identify intergovernmental revenues and monitor the City's use of these funds to minimize volatility associated with these revenues.
5. Identify grant revenues and monitor the City's use of these funds to minimize volatility associated with these revenues.
6. Identify revenues that are one-time in nature and ensure they are not being used to fund on-going expenditures.

FS Policy ~~FE 4~~ — 5

Maintain sufficient unrestricted fund balance to maintain creditworthiness and provide resources for emergencies or unexpected needs.

~~Implementation~~ IMPLEMENTATION

1. ~~Set a fund balance target as a percentage of~~ The City will maintain an unreserved, undesignated General Fund balance as designated in the Debt and Financial Administration Policies.
2. Generally, the City will use one-time revenues for one-time expenditures. One-time revenues may include prior year surpluses in excess of the rainy-day reserve or other windfalls such as asset sales. One-time expenditures generally consist of pay-as-you-go capital spending, but may also include other one-time spending such as increased pension plan contributions, or OPEB funding. They should not be used in budgeting for operating expenditures.
2. ~~Establish policies for uses of funds from unreserved fund balance.~~ FS
3. ~~Avoid using unreserved fund balance to finance on-going expenditures as much as possible.~~

Policy ~~FE-5-6~~

Adhere to credit industry standards and recommendations for debt management to maintain creditworthiness and ensure ~~the~~ lowest borrowing costs possible.

~~Implementation~~ IMPLEMENTATION

1. Incorporate credit industry benchmarks into the City's financial management policies and practices.

FS Policy ~~FE-67~~

Establish and maintain a fiscal monitoring system to measure progress toward achieving the policies of the land use ~~element~~ chapter.

~~Implementation~~ IMPLEMENTATION

1. Design and implement a fiscal monitoring system based on measurable results directly related to objectives 1 through 6-~~1~~.
2. Update the 2003 Fiscal Impact Analysis in order to assess ~~the~~ to impact of future growth on expenditures.

FS Policy 8

Actively incorporate the considerations of underrepresented communities and low-income residents communities in fiscal decision-making.

IMPLEMENTATION

1. Coordinate with community groups active among minority communities and with low-income residents for public outreach and fiscal policy creation.
2. Actively recruit underrepresented populations to advisory boards, committees, and other volunteer positions.

3. Ensure adequate funding for public services targeted to low-income and immigrant residents.
4. Commission a comprehensive anti-racism plan with recommendations for fiscal policy.